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HAROLD J. McELHINNY (CA SBN 66781)
RACHEL KREVANS (CA SBN 116421)
MATTHEW I. KREEGER (CA SBN 153793)
JASON A. CROTTY (CA SBN 196036)
MORRISON & FOERSTER LLP
425 Market Street
San Francisco, California 94105-2482
Telephone: 415.268.7000
Facsimile: 415.268.7522

Attorneys for Defendants
ECHOSTAR SATELLITE LLC AND
ECHOSTAR TECHNOLOGIES CORPORATION

UNITED STATES DISTRICT COURT

NORTHERN DISTRICT OF CALIFORNIA

SAN JOSE DIVISION

In re ACACIA MEDIA TECHNOLOGIES CORPORATION	Case No. 05-CV-1114 JW **ECHOSTAR'S OPPOSITION TO ACACIA'S MOTION FOR RECONSIDERATION AND CLARIFICAION OF THE JULY 12, 2004 MARKMAN ORDER** Date: September 8-9, 2005 Time: 9:00 a.m. Courtroom: 8, 4th Floor Judge: Hon. James Ware

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INTRODUCTION

Acacia seeks to reconsider or "clarify" a number of the Court's claim construction rulings set forth in the July 12, 2004 *Markman* Order. For the reasons set forth below, the Court's constructions were correct and should not be disturbed.

ARGUMENT

Acacia's motion seeks reconsideration of the following terms: "transmission system," "transmission system at a first location" and "reception system at a second location," and "sequence encoder." Acacia also seeks to have certain issues "clarified," but its arguments on these points are in reality like a motion for reconsideration. Thus, Acacia also seeks alterations to the Court's construction of the terms "identification encoder" and "in data communication." Acacia's motion for reconsideration violates numerous claim construction rules and should be denied. Moreover, much of Acacia's brief simply recycles arguments that the Court has already rejected. A motion to reconsider is not a vehicle to make the same arguments again. *See generally* Civil L.R. 7-9.

I. THE COURT CORRECTLY CONSTRUED THE TERMS "TRANSMISSION SYSTEM," "TRANSMISSION SYSTEM AT A FIRST LOCATION," AND "RECEPTION SYSTEM AT A SECOND LOCATION"

Acacia contends that the Court's construction of the term "transmission system" should be "amended" to state that the transmission system may be located at *one or more* facilities. Acacia also contends that the Court's construction of the term "transmission system at a first location" should be revised to state "transmission system at one or more first locations." Acacia further argues that the term "reception system at a second location" should be construed in the same way. Acacia's proposed constructions are a thinly-veiled attempt to broaden the scope of the claims in direct conflict with the language of the claim.

A. "Transmission System"

Acacia contends that the Court's construction of the term "transmission system" should be amended to reflect Acacia's argument that the "transmission system" may be located at more than one facility.[1] Acacia argues that this change is required because of potential "juror confusion." EchoStar believes that the possibility of such confusion is extremely low. Indeed, amending the Court's construction of the Court's July 12, 2004 *Markman* Order ("*Markman* Order") could *create* juror confusion by suggesting that the "transmission system" can be located at more than one location even in claims that include the term "transmission system at a first location." (As discussed below, such a construction would be erroneous.) Acacia's effort to amend the construction of "transmission system" is simply a backdoor attempt to broaden the claims that include specific limitations requiring the transmission system to be at a *single* location. The Court properly refused to adopt this construction in its original construction of the term "transmission system." *See Markman* Order at 27 n.19.

B. "Transmission System at a First Location," and "Reception System at a Second Location"

Acacia contends that the Court's construction of "transmission system at a first location" should be revised as follows: "a transmission system at one or more ~~particular~~ locations separate from the location of the reception system." Acacia's recent infringement charts demonstrate its motive for this proposal: Acacia asserts that the "transmission system at a first location" encompasses not only EchoStar's "uplink facilities" in Cheyenne, Wyoming and Gilbert, Arizona (the parts of the EchoStar system that transmits programming to satellites), but also to the separate and independent facilities, located thousands of miles away, of content providers such as ABC or HBO. In other words, Acacia seeks to group together the completely separate systems of multiple companies in different cities and states to constitute the "transmission system" in the claims. Acacia's arguments are unpersuasive.

The relevant part of Claim 1 of the '702 patent reads (emphasis added):

> A communication system comprising:
>
> *a transmission system at a first location* in data communication

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[1] The Declaration of Jason A. Crotty attaches the documents that are cited in this brief. The '702 patent is Exhibit A, the *Markman* Order is Exhibit B, the Weiss Declaration is Exhibit C, and the Alexander Declaration is Exhibit D.

> with *a reception system at a second location*, wherein said transmission system comprises ….

Acacia argues that the term "comprising" makes the claim open-ended and therefore a transmission system may be located at one or more "first location." Acacia misstates the meaning of the term "comprising." It is well-established that "comprising" means that the inclusion of additional, unrecited elements does not preclude a finding of infringement. *See, e.g., Gillette Co. v. Energizer Holdings, Inc.*, 405 F.3d 1367, 1371-72 (Fed. Cir. 2005) (collecting cases). In other words, if a claim includes elements A, B, and C, an accused device that has elements A, B, C, and D, infringes that claim notwithstanding the addition of unrecited element D. *Id*. Here, the term "comprising" means that there may be more than one "transmission system." It is not a license, however, to change the meaning of the term "transmission system."

Thus, the use of the "comprising" in Claim 1 of the '702 patent means that an accused system that has more than one "transmission system" and more than one "reception system" may still infringe the claims. Although an accused system could have multiple "transmission systems," in order to infringe it would still be required to contain one "transmission system" located at a single location, because of the claim requirement that an infringing communication system include "a transmission system at a first location."[2] As the Court stated in the *Markman* Order, the term "at" indicates presence or position at a single location, particularly when it is used as part of the phrase "at a first location." *See Markman* Order at 30. Acacia's selection of citations from the specification and the claims of other Yurt patents are consistent with this reading. In fact, when the term is used to refer to multiple locations, the language clearly says so. *See* Acacia's Memorandum in Support of Motion for Reconsideration and Clarification of the July 12, 2004 *Markman* Order ("Acacia Br.") at 9 n.3. Use of the transition "comprising" is not a license to disregard the language of the claim.

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[2] The patent specification confirms this reading. Each time a "transmission system" or a "reception system" appears in the figures of the patent, it has its own separate location. For example, in Figure 1c, there are four transmission systems and each is at its own single location, *i.e.*, the four transmission systems have four separate locations.

Acacia argues that the Court should ignore this claim language because the claim could have been drafted with the term “consisting of” rather than “comprising,” or “a transmission system at a *single* first location.” The language of the claim is clear as drafted, so Acacia’s argument that it can conceive other ways of saying the same thing is irrelevant. Indeed, given the clear language of the claim, if the drafter had intended to cover a transmission system that was located at more than one location, he or she would have drafted claims that said so unambiguously. For example, the claim could have been written to require “a transmission system at one or more locations separate from the reception system.” The claim drafter’s failure to include such language undermines Acacia’s argument.

Acacia also relies on *Gillette Co. v. Energizer Holdings, Inc.*. In *Gillette*, the Federal Circuit determined that a claim to a razor blade “comprising . . . a group of first, second, and third blades” could be infringed by a four blade razor. *See Gillette*, 405 F.3d at 1376. The Court specifically noted the open-ended term “group of” in the claim. *Id*. at 1373. That term is missing here. Moreover, in *Gillette*, because there were at least three blades, there was a need to identify the various members of the group. Here, in contrast, there is no such need because the claim refers to a “transmission” system and a “reception” system, separately named, and does not rely on the “first” and “second” language as identifiers. Therefore, the *Gillette* case is both factually and legally distinguishable and does not help Acacia.

There is no basis for the Court to revisit its construction of the term “reception system at a second location” since Acacia provides no argument for its construction other than bootstrapping it to its argument regarding “transmission system at a first location.”

For these reasons, the Court’s construction of the terms “transmission system at a first location” and “reception system at a second location” are proper and Acacia’s motion to reconsider these terms should be denied.

II. “SEQUENCE ENCODER”

The statutory basis of the definiteness requirement is 35 U.S.C. § 112 ¶ 2: “The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.” According to the

Federal Circuit, "the second paragraph of § 112 contains two requirements: 'first, [the claim] must set forth what 'the applicant regards as his invention,' and second, it must do so with sufficient particularity and distinctness, *i.e.*, the claim must be sufficiently 'definite.'" *Allen Eng'g Corp. v. Bartell Indus., Inc.*, 299 F.3d 1336, 1348 (Fed. Cir. 2002) (internal quotation marks omitted and alteration in original) (quoting *Solomon v. Kimberly-Clark Corp.*, 216 F.3d 1372, 1377 (Fed. Cir. 2000)). "The definiteness inquiry focuses on whether those skilled in the art would understand the scope of the claim when the claim is read in light of the rest of the specification." *Union Pac. Res. Co. v. Chesapeake Energy Corp.*, 236 F.3d 684, 692 (Fed. Cir. 2001). The definiteness requirement assures that claims are "sufficiently precise to permit a potential competitor to determine whether or not he is infringing." *Morton Int'l, Inc. v. Cardinal Chem. Co.*, 5 F.3d 1464, 1470 (Fed. Cir. 1993). "A determination of claim definiteness is a legal conclusion that is drawn from the court's performance of its duty as the construer of patent claims." *Personalized Media Communications, L.L.C. v. Int'l Trade Comm'n*, 161 F.3d 696, 705 (Fed. Cir. 1998).

Because the term "sequence encoder" has no ordinary meaning and the specification provides no meaningful definition, one of skill in the art is left with nothing and is forced to speculate as to the meaning of the term. The term is not amenable to construction. Thus, it is indefinite. *See Honeywell Int'l, Inc. v. Int'l Trade Comm.*, 341 F.3d 1332, 1340 (Fed. Cir. 2003) (affirming finding of indefiniteness).

A. The Term "Sequence Encoder" Had No Meaning in the Art

The term "sequence encoder" did not have a generally accepted meaning to those of skill in the art at the time the application was filed. *See* Declaration of Andrew Lippman ("Lippman Decl.") ¶ 59; *see also Markman* Order at 32. Acacia's experts do not argue to the contrary. *See* Declaration of Peter Alexander in Support of Acacia's Opposition to Motion for Summary Judgment ("Alexander Decl.") ¶¶ 13-16; Declaration of S. Merrill Weiss in Support of Acacia's Opposition to Motion for Summary Judgment ("Weiss Decl.") ¶¶ 68-69. Thus, if the meaning of the term "sequence encoder" can be ascertained at all, it must be from the specification or the claims.

B. The Term "Sequence Encoder" Does Not Appear in the Specification

It is undisputed that the term "sequence encoder" does not appear in the specification of the '702 patent. *See, e.g., Markman* Order at 32; Weiss Decl. ¶ 68; Lippman Decl. ¶ 67. This factor alone may render the claim indefinite. For example, in *Union Pacific Resources v. Chesapeake Energy Corp.*, which involved a patent related to exploratory drilling for oil and natural gas, "the method for determining the location of a borehole relative to the strata (or in the earth)," according to the claims, comprised a step of " 'comparing' characterizing information." 236 F.3d at 692. The specification did not explain the meaning of the term "comparing," although the patent suggested that it involved "the determination of TSD by correlation," a process that was explained during trial. *Id.* The court reasoned that while "the 'comparing' step presumably refers to a complex 'correlation' step suggested (but not explained) in the written description," the term "comparing" could also have other meanings — including its non-technical dictionary definition — to one skilled in the art. *Id.* Accordingly, the Federal Circuit affirmed the finding that the claims at issue were indefinite. *Id.* The result should be the same here.[3]

C. The Term "Sequence Encoder" is Not a Mere Synonym for "Time Encoder"

Although the term "sequence encoder" is never used in the specification and has no meaning to those of skill in the art, Acacia argues that "sequence encoder" really means "time encoder," a term that *is* used in the specification. Acacia relies on the declarations of its two experts, Mr. Weiss and Dr. Alexander. The presence of expert testimony does not make a claim definite. *See Honeywell Int'l, Inc*, 341 F.3d at 1340-41 (affirming finding of indefiniteness despite expert declaration). The Federal Circuit's recent decision in *Phillips* confirmed that expert testimony at odds with the written record of the patent (the claims, specification, and prosecution history) should be discounted and that after-the-fact expert opinions may be biased. *See Phillips v. AWH Corp.*, 2005 U.S. App. LEXIS 13954, at *40 (Fed. Cir. July 12, 2005). Both of Acacia's experts employ unorthodox "process of elimination" methodologies to arrive at the conclusion that the "sequence encoder" is really the "time encoder." Because their methodologies and assumptions are unsound and conflict with the understanding of those of skill in the art at the time, their conclusions are not persuasive.

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[3] *Bancorp Services L.L.C. v. Hartford Life Insurance Co.*, 359 F.3d 1367, 1373 (Fed Cir. 2004), is not to the contrary. In *Bancorp*, the Federal Circuit held that the meaning of the term "surrender value protected investments," which was not defined in the specification, could be ascertained "with reasonable confidence" using the conventional tools of claim construction and, therefore, was not indefinite. The court held that the term meant the same thing as a term used in the specification, "stable value protected investment." In that case, both the specification and the claims suggested a single meaning for the term and the Court did not need to resort to extrinsic evidence. *Id.* at 1374. Here, in contrast, the claims demonstrate that the "sequence encoder" and the "time encoder" cannot be the same thing. Moreover, Acacia relies almost exclusively on the opinions of two experts.

1. The Weiss Declaration

Mr. Weiss does not contend that the term "sequence encoder" had a common meaning to those of skill in the art in 1991. Nor does he contend that the term is defined in the specification. Instead, Mr. Weiss asserts that the way to figure out what "sequence encoder" means is to search for occurrences of the unmodified term "encoder" in the specification, eliminating the occurrences that "clearly apply to other types of encoding." *See* Weiss Decl. ¶¶ 69; *see also* ¶¶ 33, 37-39. Then, the ones that "remained" were "studied for their descriptions of sequencing operations" or "proximity… to the term 'sequence.'" *Id.* ¶ 69. Thus, Mr. Weiss's analysis is based on an implicit assumption: that the term "sequence encoder" is a synonym for a term actually used in the specification. Mr. Weiss offers no basis for this assumption.

Mr. Weiss concludes that there are 55 uses of the term "encoder," 32 apply to "identification encoder," four apply to "transmission encoding," and two more "describe miscellaneous encoding of one sort or another." *Id.* ¶ 71. This evidently leaves 16 instances of "encoding" and its related forms and, according to Mr. Weiss, "all 16 are modified by the term 'time.'" *Id.* Mr. Weiss then performs a similar "analysis" of the term "sequence." *Id.* ¶ 72. He then "inspect[s] the relationship" between these two terms ("sequence" and "time encoder") and determines that there are "a number of connections." *Id.* ¶ 73. Mr. Weiss also asserts that "a comparison" of Figure 7 and Figure 2a suggests that the step called "sequence data" in Figure 7 is performed by the time encoder in Figure 2a. *Id.* ¶ 74. At the end of this process, Mr. Weiss states that "it would have been apparent to one of ordinary skill in the art in January, 1991, that the Sequence Encoder of the claims is the Time Encoder of the specification." *Id.* ¶ 75. Mr. Weiss then lists the supposed "properties" of the "sequence encoder" and provides a long discussion about "time relationships" and "audio and video content." *Id*. ¶¶ 77-85.

Mr. Weiss concludes that one of one of skill in the art would have understood that the term "sequence encoder" means "time encoder" and also would have understood the functions of the "time encoder." Mr. Weiss states that the "time encoder" is " '*most likely*' … special purpose hardware generating a time code and associating it simultaneously with the video and audio of the content or a computer program or routine, running on either standard or specialized computer hardware, for the same purpose." *Id*. ¶¶ 86-87 (emphasis added).

2. The Alexander Declaration

Like Mr. Weiss, Dr. Alexander does not contend that the term "sequence encoder" had a common meaning to those of skill in the art in 1991. Nor does he contend that the term is used in the specification. Thus, he too resorts to a creative, deconstructionist reading of the specification. *See* Alexander Decl. ¶¶ 13-39. Dr. Alexander first examines the use of sequence encoder in the claims. *Id*. ¶¶ 17-19. From the claims, he concludes that a sequence encoder is different than an identification encoder. He also relies on the language in Claim 7 specifying a sequence encoder that "transforms digital data blocks into a group of addressable data blocks." *Id*. ¶ 18. From this he concludes that the "sequence encoder" as used in all of the claims "is constructed with *the* function of transforming digital blocks into a group of addressable data blocks." *Id*. ¶ 19 (emphasis added).

Dr. Alexander also examines the specification. He begins by searching for all occurrences of the term "encoder," of which 13 relate to "identification encoder" and nine to "time encoder." *Id*. ¶ 20. By a "process of elimination," Dr. Alexander asserts that one of ordinary skill would understand that the sequence encoder is really the time encoder. *Id*. (Thus, like Mr. Weiss, Dr. Alexander assumes that the term "sequence encoder" must be a synonym for a term actually used in the specification.) Dr. Alexander also asserts that the specification teaches that the time encoder performs sequence encoding. *Id*. ¶ 21. Dr. Alexander further asserts that passages relating to the "time encoder" would "unmistakably communicate to one skilled in the art that the time encoder is the claimed 'sequence encoder.'" *Id*. ¶ 22. He states that the specification language "explicitly states" with "no ambiguity" that sequence encoding is "in fact identical" to time encoding. *Id.* ¶ 24. Dr. Alexander concludes that "one of ordinary skill … would have understood the term 'sequence encoder' to mean 'computer hardware or software to create numeric or alphanumeric codes.'" *Id.* ¶ 29. Dr. Alexander then describes in detail his experiences with time encoding at the time the application was filed. *Id.* ¶¶ 31-39.

D. Acacia's Arguments and Experts are Unpersuasive

The conclusions of both Mr. Weiss and Dr. Alexander are unsound for many reasons, including: (1) they violate the doctrine of claim differentiation; (2) they are the result of unsound methodologies that have never been approved by the Federal Circuit; and (3) they are inconsistent with the understanding of those of skill in the art at the time the applications were filed.

1. Acacia's Arguments Violate the Doctrine of Claim Differentiation

First, Acacia's theory directly contradicts the doctrine of claim differentiation. The Federal Circuit's recent *Phillips* decision confirmed that differences among claims are useful to determining claim meaning. *See Phillips,* 2005 U.S. App. LEXIS 13954, at *28. Acacia's theory cannot be squared with this principle because if Acacia is correct, then Claim 7 has absolutely no meaning.

According to Acacia, the "sequence encoder" of Claim 1 is the "time encoder" described in the specification. The patent describes the function of the "time encoder" as converting information into "a group of addressable data blocks."[4] Claim 7, however, is a dependent claim that specifies a "sequence encoder" that "transforms digital data blocks into a group of addressable data blocks." Claim 7 therefore specifies a "sequence encoder" that performs the precise function of the time encoder described in the specification. Under Acacia's interpretation, the scope of Claim 7 is therefore identical to the scope of Claim 1.

As the Federal Circuit has stated, claim differentiation "normally means that limitations stated in dependent claims are not to be read into the independent claim from which they

[4] Specifically, the patent states: "Time encoder 114 places the blocks of converted formatted information from converter 113 into a group of addressable blocks." *See* '702 patent at 7:57-59.

depend." *Karlin Tech., Inc. v. Surgical Dynamics, Inc.*, 177 F.3d 968, 971-72 (Fed. Cir. 1999), *cert. denied*, 160 L. Ed. 2d 223 (2004); *see also Liebel-Flarsheim Co. v. Medrad, Inc.*, 358 F.3d 898, 910 (Fed. Cir. 2004) (collecting cases). For example, if independent Claim Element 1 has functions A, B, and C, a dependent claim typically adds a further limitation, such as function D. It is improper (and makes no sense) to have a dependent claim "narrow" the claim by stating (again) that Claim Element 1 has function A, because that function is already recited in the independent claim. *See* 35 U.S.C. § 114 ¶ 4 ("[A] claim in dependent form shall contain a reference to a claim previously set forth and then specify a *further limitation* of the subject matter claimed") (emphasis added). The dependent claim is rendered redundant, a result that is to be avoided. *See Dow Chem. Co. v. United States*, 226 F.3d 1334, 1341-42 (Fed. Cir. 2000) (applying claim differentiation and concluding that an independent claim should be given broader scope than a dependent claim to avoid rendering the dependent claim redundant). While the doctrine of claim construction is not an absolute rule, it is particularly compelling where, as here, the issue is whether a limitation found in a dependent claim should be read into an independent claim and that limitation is the only meaningful difference between the two claims. *See, e.g., Liebel-Flarsheim*, 358 F.3d at 910 (collecting cases).[5]

Thus, the inclusion of the "transforms digital data blocks into a group of addressable data blocks" language in Claim 7 demonstrates that the patentee did *not* contemplate that the term "sequence encoder" already contained this limitation. *See Phillips*, 2005 U.S. App. LEXIS 13954, at *60. Accordingly, the statements by Acacia's experts regarding the sequence encoder "transforming digital data blocks into a group of addressable data blocks" are legally irrelevant, as their proposed construction would render Claim 7 redundant. *Id.*; *Dow*, 226 F.3d at 1341-42.

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[5] *See Sunrace Roots Enter. Co. v. SRAM Corp.*, 336 F.3d 1298, 1302-03 (Fed. Cir. 2003) (presumption that an independent claim does not have a limitation that is first introduced in a dependent claim "is especially strong when the limitation in dispute is the only meaningful difference between an independent and dependent claim, and one party is urging that the limitation in the dependent claim should be read into the independent claim"); *Wenger Mfg., Inc. v. Coating Mach. Sys., Inc.*, 239 F.3d 1225, 1233 (Fed. Cir. 2001) ("Claim differentiation ... is clearly applicable when there is a dispute over whether a limitation found in a dependent claim should be read into an independent claim, and that limitation is the only meaningful difference between the two claims").

Because Acacia's experts contradict the clear language of the claims, their testimony is entitled to no weight. *See, e.g., Vitronics Corp. v. Conceptronic, Inc.*, 90 F.3d 1576, 1584 (Fed. Cir. 1996) (extrinsic evidence "may not be used to vary or contradict the claim language").

This case is similar to *Sunrace Roots Enter. Co. v. SRAM Corp.*, 336 F.3d 1298, 1302-03 (Fed. Cir. 2003). In that case, the independent claim included the term "shift actuator" and a dependent claim added the limitation that the shift actuator comprises "cam means." The Federal Circuit held that if the "shift actuator" of the independent claim included a "cam means," the dependent claim "would be rendered entirely redundant." *Id*. The *Sunrace* court refused to read the limitation from the dependent claim into the independent claim and the result should be the same here.

Acacia attempts to address this conundrum by contending that "the sequence encoder (time encoder) performs functions other than transforming digital data blocks into a group of addressable data blocks." Specifically, Acacia contends that the sequence encoder not only transforms digital data blocks into a group of addressable data blocks, it also performs other functions, including (among other unspecified things): (1) "receipt of audio and video data from the converter," (2) "assignment of relative time markers by the time encoder," and (3) "delivery of … addressable data blocks … to the pre-compression processor." *See* Acacia Br. at 18.[6] These supposed "functions" were not identified by Dr. Alexander when he submitted his declaration. Moreover, "functions" (1) and (3) have nothing to do with either sequencing or encoding; these "functions" are shared by *all of the blocks* in the block diagrams of the specification: virtually all of them receive data from the preceding block and transmit data to the following block. And function (2) simply restates the function of the time encoder in different words.

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[6] Pursuant to agreement by the parties, Acacia's experts relied on their declarations in opposition to the summary judgment briefs in the *New Destiny* cases. Further topics for expert testimony were disclosed by letter by Acacia's counsel. However, the defendants did not receive supplemental declarations with these new opinions before this brief was due.

These additional functions supposedly performed by the "sequence encoder" do not solve Acacia's claim differentiation problem. Even if the term "sequence encoder" were construed to include all of these functions in addition to the function of transforming digital data blocks into addressable data blocks, Claim 7 would *still* be entirely redundant. Under Acacia's interpretation, Claim 7 would do nothing more than specify a limitation already present, among others, in the term "sequence encoder." Such an interpretation violates the principle of claim differentiation, no matter how many additional functions are specified by the term "sequence encoder."

Buried in a footnote, Acacia confusingly hints at yet another possible argument to respond to this problem: Acacia may be contending that the "time encoder" need not transform digital data blocks into a group of addressable data blocks in order to be a "time encoder." To the extent Acacia suggests that "transforming digital data blocks into a group of addressable data blocks" is merely an *optional* function of the time encoder, Acacia provides absolutely no specification support, and neither of Acacia's experts expressed such a view in their initial declarations. Moreover, Acacia offers no explanation for what "time encoder" means, if it does not mean "transforming digital data blocks into a group of addressable data blocks" as the specification requires. The infinite malleability of the term "sequence encoder" demonstrates that the term is insolubly ambiguous and therefore indefinite. If a claim is "insolubly ambiguous," it is indefinite. *See Honeywell Int'l, Inc. v. Int'l Trade Comm.*, 341 F.3d 1332, 1338-39 (Fed. Cir. 2003) (affirming finding of indefiniteness).

2. Acacia's Methodologies are Unsound

Second, Acacia provides no legal authority that its "process of elimination" methodology is sound or that it has been accepted by courts as a proper method of ascribing meaning to undefined terms that have no meaning to skilled artisans and are not used in the specification. Even if Acacia's experts were able to justify their selective utilization of the claims and the specification and the numerous implicit assumptions in their methods, their conclusions are no better than a guess as to what the term means.

As an example of the assumptions implicit in Acacia's experts' analysis, it is not clear why one of skill in the art would begin by assuming that "sequence encoder" must be synonymous with a term actually used in the patent specification. The opposite is more likely: the use of a distinct term suggests that the term is *not* synonymous with other, different terms. One of skill in the art would have understood different terms to mean *different* things. *See* Lippman Decl. ¶ 70. The law is in accord. For example, when a patentee uses different terms in a claim it is permissible to infer that he intended his choice of different terms to reflect a differentiation in the meaning of those terms. *See, e.g.*, *Bancorp Servs., L.L.C. v. Hartford Life Ins. Co.*, 359 F.3d 1367, 1373 (Fed. Cir. 2004); *Ethicon Endo-Surgery, Inc. v. U.S. Surgical Corp.*, 93 F.3d 1572, 1579 (Fed. Cir. 1996).

Moreover, Acacia's methodology leads to definitions that are inconsistent with the specification. For example, the specification states that the source material library may contain "physical objects" such as books, musical instruments, and still pictures ('702 patent at 6:1-2, 6:5-11). Although a book can be sequenced, by, for example, page number, it is not clear how a *time* encoder would "sequence" a book. *See* Lippman Decl. ¶ 77.

The imprecise nature of the methodologies used by Acacia's experts is demonstrated by the fact that they have come to different conclusions regarding the meaning of the term "sequence encoder." *Compare* Weiss Decl. ¶¶ 86-87 and Alexander Decl. ¶ 29. The differences are not insignificant: Mr. Weiss states that the "sequence encoder" may be "special purpose hardware" whereas Dr. Alexander requires *both* hardware and computer software. *Id*. And Mr. Weiss is unsure of his conclusion — he only states that one of skill in the art would "most likely" have come to the same conclusion. *See* Weiss Decl. ¶ 86.

3. Acacia's Arguments are Inconsistent with the Understanding of Those of Skill in the Art

Acacia's experts contradict the understanding of those of skill in the art at the time the priority application was filed. The terms "sequence" and "time" have distinct meanings to skilled artisans and are not mere synonyms. The differences between the two are illustrated by an example. If a party is waiting for a table at a restaurant, being told that they are the fifth party on the list tells them nothing about when they will be seated. And being told that they will be seated at 7:30 tells them nothing about how many parties are ahead of them on the list. *See* Lippman

Decl. ¶ 71. The distinction can be meaningful in the relevant art. *Id.* ¶¶ 71-78. One can sequence data in a number of ways, of which time is only one possibility. *Id.* For the transmission of compressed digital information, the order or sequence of data must be preserved, but frequently with a sequence number that is independent of time. *Id.* ¶ 73. Thus, there is no reason one of skill in the art would conflate time and sequence when attempting to discern the meaning of the term "sequence encoder." *Id.* ¶ 78.

III. THE TERM "IDENTIFICATION ENCODER" IS INDEFINITE

As with "sequence encoder," the term "identification encoder" has no ordinary meaning to those of skill in the art. *See Markman* Order at 35; Lippman Decl. ¶ 20.[7] As the Court indicated, the prior art patents cited by Acacia in the *New Destiny* cases use the term in completely different ways. *Id.*; *see also* Lippman Decl. ¶¶ 21-26. The term "identification encoder" is used in the specification, but is used in such a manner as to be meaningless. For these reasons, the term "identification encoder" is indefinite.

In the specification, the identification encoder is described as performing numerous unrelated tasks, including, among others: assigning a unique identification code to analog and/or digital items, assigning a popularity code, copy protecting, assigning a unique address code or file address, and logging details about items including program notes. *See* Lippman Decl. ¶ 31. Some of these diverse functions are identified by Mr. Weiss. *See* Weiss Decl. ¶ 43. The claims of the patent are similarly unhelpful in providing a definition as they require several different functions of the "identification encoder." For example, Claim 1 requires that the identification encoder "gives items in said compressed data library a unique identification code" while Claim 27 requires only that the "identification encoder" allow entry of a popularity code. Claim 17 recites no function for at all. Claims 5, 19, and 31 only require that the "identification encoder" be "in data communication" with another device in the transmission system.

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[7] The term "identification encoder" does not appear in the relevant technical dictionaries, nor do the component terms suggest a meaning for the compound term that would suggest a definite structure to one of skill in the art. *Id.* Additionally, the other patents cited by Acacia are not helpful in defining the term. *Id.*

As the Court observed, the patent does not disclose any apparatus that performs the various functions of the "identification encoder." *See Markman* Order at 35. One of skill in the art fares no better: the specification provides no guidance to the structure of the identification encoder. *See* Lippman Decl. ¶ 32. This lack of guidance is hindered rather than helped by the many and diverse functions supposedly performed by the "identification encoder." *Id*. Moreover, these functions themselves are poorly described. *Id*. ¶ 33. For example, the specification is silent as to how the "identification encoder" might operate on both analog and digital information. *Id*. Because the term "identification encoder" does not connote a particular device to one of skill in the art and no structure is identified, the listing of numerous and varied functions renders the term ambiguous.

Acacia's experts ignore the numerous functions assigned to the identification encoder in the specification and arbitrarily select the single function "assigning a unique identification code" as its defining limitation. Acacia does not explain why this function was selected, as the specification and claims ascribe numerous other functions to the "identification encoder." There is no reason to limit the generic "identification encoder" to a single function. *Id*. ¶ 36.

Acacia's proposed definition sheds no light on the structure or mechanism of the "identification encoder" which will perform this function. *Id*. ¶ 35. Although Dr. Alexander suggests that a "computer program" may perform the "identification encoding process," this provides no boundaries or clarity to the definition of "identification encoder." *Id*. ¶¶ 37-40. The single defining function selected by Acacia's experts is also problematic because the term "unique identification code" is ambiguous and cannot be distinguished from the "unique address code." *Id*. ¶¶ 51-56. In particular, the terms are functionally indistinguishable yet the specification makes it clear than they are not the same. *Id*. Accordingly, one of skill in the art would be unable to distinguish between the "unique identification code" and the "unique address code." Because of this ambiguity, one can only guess whether an identifier in a system is or is not a "unique identification code." *Id*. ¶ 56.

The result of this ambiguity is that Acacia's own experts define aspects of the term "identification encoder" in different ways, confirming that the term is insolubly ambiguous. *Id*.

¶¶ 47-49. Indeed, neither identifies a structure for the "identification encoder." Moreover, in order to reach their pre-determined conclusions, they are forced to ignore inconvenient aspects of the specification and the claims or substantially re-write the patent. *Id.* ¶ 42. Acacia's experts cannot cure the absence of disclosure in the specification regarding the "identification encoder."

Although the Court correctly determined that the term was "insolubly ambiguous" and "arguably indefinite," it attempted to construe the term. By necessity, the Court's tentative construction was purely functional. As such, it renders the claim indefinite. *See Harrah's Entm't, Inc. v. Station Casinos*, 321 F. Supp. 2d 1173, 1179 (D. Nevada 2004) ("[D]efining a limitation purely by function, such that it covers all means of achieving the function, renders a claim indefinite"). The Court should deny Acacia's motion to reconsider and should not "clarify" its *Markman Order* to remove the language objected to by Acacia.

CONCLUSION

For the reasons set forth above Acacia's motion to reconsider should be denied.[8]

Dated: August 25, 2005

HAROLD J. McELHINNY
RACHEL KREVANS
MATTHEW I. KREEGER
JASON A. CROTTY
MORRISON & FOERSTER LLP

By: /s/ Rachel Krevans
Rachel Krevans

Attorneys for Defendants
ECHOSTAR SATELLITE LLC AND
ECHOSTAR TECHNOLOGIES
CORPORATION

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[8] EchoStar does not oppose Acacia's proposed clarification of the term "in data communication with."